IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH

AT HYDERABAD

THE HON'BLE SRI JUSTICE P. DURGA PRASAD

WRIT PETITION No.24588 of 2001

Date:25.11.2010

Between:

D.A. Ramasubrahmanyam and 21 others.

.....Petitioners

AND

The Girijan Coop. orporation Limited, rep. by its Vice Chairman and Managing Director and another.

....RESPONDENTS

The Court made the following:

THE HON'BLE SRI JUSTICE P. DURGA PRASAD

WRIT PETITION No.24588 of 2001

ORDER:

The petitioners seeking for issuance of writ or direction directing the respondents to pay all the retirement benefits due to them on their retirement under Voluntary Retirement Scheme including three months notice and pay with interest at 24% p.a.

The main dispute is with regard to the petitioners applying for voluntary retirement as per the Voluntary Retirement Scheme and the same was accepted by the respondents and the petitioners were retired from their respective services on 30.06.2001, but they were not paid with the retirement benefits immediately. As such the petitioners filed this writ petition seeking a direction for payment of interest and compensation for the delayed payment.

As per the counter filed by the respondents, the retirement benefits were paid to the petitioners in the month of March, 2002. Thus, admittedly, there is delay of nine months in making the payments to the petitioners on their voluntary retirement on 30.06.2001.

The counsel for the respondents admitted that the delay is only on the administrative reasons in sending the proposal to the pension office for releasing of the payments. The petitioners' counsel in support of his contention relied upon a decision reported in **State of Kerala v. P.P. Nair**[1] wherein the Apex Court has held that the gratuity should be paid on the date of retirement or on the following day and pension should be paid at the expiry of the following month. Collection of requisite information and issuance of 'Last Pay Certificate' and 'No Liability Certificate' should be completed in a week before the date of retirement and thereby justified the order passed by the High Court in awarding interest at 12% p.a for the delayed period.

In the present case, admittedly there is delay of nine months on the part of the respondents in making payment of retirement benefits to the petitioners under Voluntary Retirement Scheme.

Having regard to the facts circumstances of the case, I hold that the petitioners are entitled for interest at 6% p.a from the date of their retirement till date of payment and the respondents are directed to make the payment of such interest within four weeks to the petitioners from the date of receipt of copy of the order.

Accordingly, the writ petition is disposed of.

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P. DURGA PRASAD,J

November 25, 2010
GK.

THE HON'BLE SRI JUSTICE P. DURGA PRASAD

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